(DIGEST OF PROPOSED 2ND SUBSTITUTE)

Declares that RCW 90.03.250 and 90.03.370 do not apply to rain barrels, cisterns, and other similar facilities for capturing runoff from roofs, paved areas, and other hard surfaces on a single residential, commercial, or industrial property or public facility.

Provides that, in order to qualify for the exemptions created in RCW 90.03.250 and 90.03.370, the owner of a rain barrel, cistern, or other similar water storage facility that has a storage capacity of less than one thousand gallons must intend to put the stored water to beneficial use on the property where the rainwater was collected.

Provides that, in order to qualify for the exemptions created in RCW 90.03.250 and 90.03.370, the owner of a rain barrel, cistern, or other similar water storage facility that has a storage capacity of greater than one thousand gallons must intend to put the stored water to beneficial use on the property where the rainwater was collected and manage the water stored in the facility in compliance with rules developed by the department under this act.

Directs the department to work with the representatives of a broad group of interested parties, individuals with technical expertise, and proponents of rainwater capture and use systems to adopt rules, consistent with chapter 34.05 RCW, that allow for pilot areas to use rainwater collection and use systems with a capacity greater than one thousand gallons, including one pilot area where the use of rainwater collection and use systems is a proposed means of contributing to storm water runoff control and one pilot area located on an island where ground water and surface water availability is limited due to saltwater intrusion. The intent of the pilot areas is to gauge the feasibility of adopting area-specific permits by rule and the impact of rainwater storage and use facilities on the natural hydrologic system.

Requires the department of ecology to report to the appropriate committees of the legislature no later than December 31, 2007, regarding the implementation of this act. After June 1, 2008, the department of ecology shall proceed with permanent rule making to establish exemptions by rule for rainwater systems consistent with this act unless the legislature acts to direct otherwise.